Gibson's Shutters Its Last Nine Company-Run Discount Stores

SEAGOVILLE, Tex.—Gibson's has shuttered the last of its company-run discount stores.

According to sources close to the chain, Gibson's has closed or is in the process of leasing the last of its remaining nine stores in order to concentrate on its wholesale, franchising and real estate operations.

(Gibson's has approximately 50 franchisees who run a total of 335 stores from coast to coast. Those franchisees pay Gibson's monthly fees based on square feet per store. Stores under 15,000 sq. ft. pay $175 per month per unit and stores over 15,000 sq. ft. pay $225, according to franchisees. Many of those franchisees rely on Gibson's warehouse as a source of supply.)

Gibson's steadily began closing stores in 1979 in an effort to make its retail operation more profitable. The chain went from 41 units in that year to 27 in mid-1980 and finally to a dozen by early this year.

The latest and final cutbacks saw stores closed in Clovis and Portales, N.M.; Lubbock, Tex.; Pueblo, Colo., and Cheyenne, Wyo. Stores in Hobbs and Lovington, N.M., and Laramie and Cheyenne, Wyo., were leased to franchisees, including former employees. At presstime, no sites reportedly had been sold.

Former Gibson's general manager Paul Trumble was among those to acquire disposed sites. Trumble, who left his Gibson's post officially in mid-October, assumed the lease of the 33,000-sq.-ft. Laramie unit and the 75,000-sq.-ft. Cheyenne unit at the beginning of October.

Trumble said the two stores generated in excess of $7 million in volume for Gibson's and that he expects to exceed that figure.

Just prior to Trumble's lease agreement, former Gibson's San Antonio manager Keith McCrary took over the 23,000-sq.-ft. Lovington unit.

McCrary, a 15-year company veteran, made the transition from manager to owner in mid-September. He said the Lovington site generated $1.9 million in volume for 1980.

Also acquiring shuttered stores was the Ragsdale family of Perryton, Tex. The Ragsdales picked up the 80,000-sq.-ft. Hobbs store in August. The family also operates Gibson's in Guymon and Woodward, Okla.

Two Majors Report Opposite Financial Results: Ward's Losses, Sears' Retailing Profits Mount

CHICAGO—Montgomery Ward and Sears reported sharply contrasting quarterly and nine-month sales and earnings.

Ward, parent of Jefferson/Ward, posted deeper losses for the periods ended Sept. 30, and showed small gains in sales.

Sears, on the other hand, reported higher earnings from its retailing operations on stronger increases in volume for the same periods.

Ward's sales in the quarter went up 3% to $1,341,000,000 from $1,299,000,000. But, its losses plunged from $42 million to $63 million.

Adding It Up

The nine-month results saw sales of $3,912,000,000, up 9% from $3,596,000,000, while the loss went from $124 million to $138 million.

Sears' retailing sales in the quarter were up 8.1%, from $4,201,600,000 to $4,540,700,000, while income more than tripled to $74,500,000.

In the nine months, sales of $12,505,600,000 were up 9.3% from $11,437,000,000 as $90,500,000 in income wiped out a $25,600,000 loss reported for the period last year.

Ward executives asserted that the company's poor performance was due to high interest rates and competitive pressures on margins. Sears chairman and chief executive officer Edward Telling said that "domestic merchandising sales and income were above plan as a result of aggressive marketing and tight control of expenses."

Spotlight on: G. C. Murphy Co.

Hometown Company Makes Good

G. C. Murphy Co. president C. H. Lytle (right) received a plaque in commemoration of his chain's 75th anniversary in retailing and in the community of McKeesport, Pa., from the city's Chamber of Commerce president Alfred Herold (center). McKeesport Mayor Louis Washowitch (left) and other community officials were on hand for the presentation, which was made during a Chamber of Commerce-sponsored dinner in the chain's hometown on Oct. 22. *(McKeesport Daily News photo)*

Prodded by Discounter Lobby, I.C.C. Kills Big Fuel Surcharge

WASHINGTON—Under pressure from discount store industry lobbyists, the Interstate Commerce Commission scrapped controversial Federal trucking regulations allowing motor carriers to impose fuel surcharges of as much as 18% on shippers.

New I.C.C. regulations have replaced those surcharge rules with a new system permitting truckers to recoup rising fuel costs based on a formula linked to the distance traveled.

The original surcharge system, which was adopted in 1979 during the last oil crisis, was based not on mileage or actual fuel use, but rather on total freight rates. As a result, discount industry transportation officials argued, the fuel surcharge formula produced "windfall profits" for truckers at the expense of retailers.

In recent testimony before the commission, Jamesway distribution vice president Jack Cotroneo said that the increase in diesel fuel pump prices since 1979 has added about $30 to the total cost of hauling a truckload of discount store merchandise on a typical 450-mile run. Under the commission's just-scrapped fuel surcharge formula, however, the carrier would be allowed to charge an additional $141 for the haul.

"It seems clearly excessive to allow carriers to recover an additional $111 above actual fuel cost increases," Cotroneo told the agency.

Under the new system, this fuel surcharge formula has been replaced by one permitting truckers to offset only their actual fuel cost increases since 1979.

The I.C.C. will continue to monitor diesel fuel price changes since the 1979 "baseline" of 63.5¢ per gallon, but the total average per-gallon price in-

(Continued on page 25)

Discounters to Gobble Bigger Slice Of Food Biz, Researchers Tell FTC

WASHINGTON—Discount chains will continue to muscle in on the retail food marketplace over the next 10 years unless supermarket giants like Safeway, Kroger and Albertson's are able to "neutralize" mass merchandisers, market forecasters warned Federal Trade Commission antitrust officials.

The trend by "mass marketing retailers" to incorporate "food supermarkets as departments within their one-stop shopping concepts . . . cannot be ignored" by the nation's food chains, the FTC long-range market analysis said. Efforts by discounters to carve out a substantial slice of the retail food business "must be tracked carefully" by supermarket industry planners.

The study, commissioned by the agency to help the FTC map out new retail industry antitrust enforcement strategies for the coming decade, predicts that grocery chains "will combat other specialty outlets by adding nonfood items into the food supermarket."

Discounters won't be the only nonfood retail segment angling to cash in the stronghold of supermarket chains during the next 10 years, however.

"The development of full fledged food supermarkets as departments within larger junior department stores is also likely to continue, as are the food items in drug stores and various other specialty stores not traditionally associated with foods," the forecasters told FTC antitrust officials.

Among the other marketplace predictions contained in the new FTC study:

- Continued increases in truck transportation costs throughout the decade, with freight rates rising "at above average inflation" levels; and
- The emergence of a European-style "value added tax" in the United States before 1990 which would be applied selectively on "luxury" merchandise, but not "essential goods."

In This Issue...

PLACE YOUR BEDS. Comforter sales are rising, but displaying the trendy "unmade" bed look is a problem. (P. 5)

HARDER THAN IT LOOKS. Sales increases are no guarantee of success, according to the Discounter Management Development Series. (Pp. 16-17)

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Vol. 20, No. 23 Nov. 16, 1981

Productivity Study Shows Need For Improved Operations Planning

By Stephanie Shern
Partner, Arthur Young & Company

The retailers who are the most successful in improving productivity say that management innovation and effective planning are the keys to achieving objectives, according to a study conducted by Arthur Young & Company.

Completed in conjunction with the Association of General Merchandise Chains (AGMC), the study included a survey of more than 7,500 stores all over the country. A total of 23 corporate entities participated in the in-depth survey. Respondents to the seven-page questionnaire were from companies with annual sales of between $500,000 and $14 billion.

The survey highlighted two issues that appear to be of key concern to retailers: 1) the character of the productivity programs being implemented, and 2) the role of the planning process in achieving productivity improvement objectives.

Characteristics of Successful Programs

The survey revealed that those retailers who have experienced a higher degree of success in improving productivity tend to have a broader focus in their programs. For example, success seems to be linked with going beyond the traditional areas of concern, such as store staffing levels, and looking for innovative, more capital-intensive approaches to productivity improvement.

Among the more successful retailers, there was a focus on cash management, information systems, training and automation as the basis for improving their overall productivity. The survey also pointed to a dramatically high incidence of programs that focus on capital-intensive approaches to productivity improvement.

The Role of Effective Planning

The study also clearly indicated that the retailers who have achieved the highest productivity levels have incorporated their programs into the short- and long-range planning process. Where effective planning was carried out by the retailers, productivity improvement was often a major factor in their overall strategies.

Further Considerations

The more successful retailers also had generally well-developed indicators to plan for productivity improvement and monitor successful implementation. These would include not only the traditional operational and financial measures (i.e., sales per square foot, sales per employee, etc.) but several financial indicators such as gross margin return on inventory and others.

Problem Areas

The area in which even highly successful retailers appeared to encounter difficulty was in linking their planning and strategies to the specific operational programs. Even though well-conceived and developed plans and strategies were available, many retailers reported difficulties in implementing them.

The survey data suggest that retailers must focus on the linkages between their planning and the implementation of those plans at the field level. One illustration of the importance of this linkage was the retailer who had determined that his long-term success rested on his ability to upgrade his merchandise to focus on an upscale market. However, because of poor performance in the last two quarters, store management decided to reduce staff and service levels to reduce costs. Both approaches were considered to be productivity improvements; however, after examining the company's overall objectives, it became apparent that the two approaches were in conflict.

New Attempts

Clearly what is needed is for the retailers to follow the lead of other industries that are attempting to improve productivity. Many corporations are focusing on the linkages between their strategic planning efforts and their operations. Too often, not enough attention is placed on the linking of the strategies and plans to the operating budgets, capital requirements, personnel and training requirements, management information systems, marketing efforts and other operational areas.

Copies of the productivity survey may be purchased from the Association of General Merchandise Chains, 1625 Eye St., N.W., Washington, D.C. 20006.

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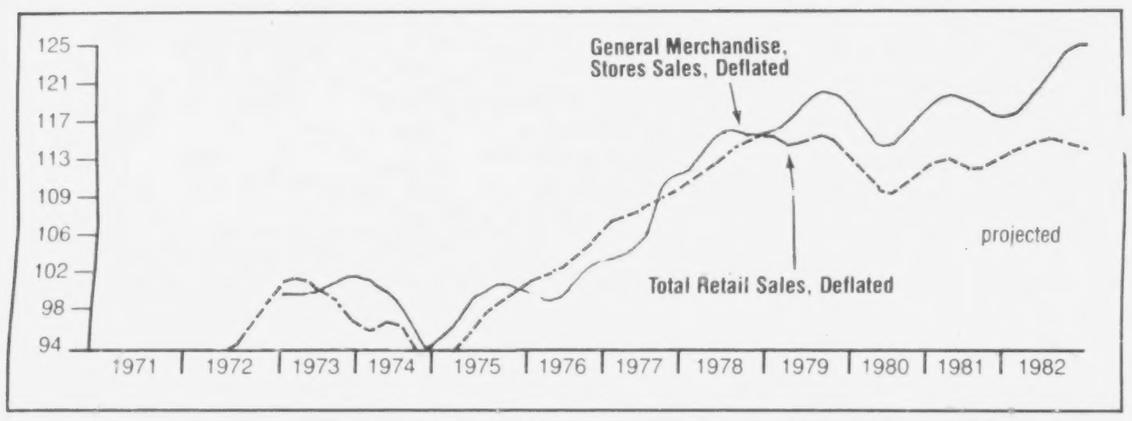
Arthur Young & Company is an international accounting firm which provides accounting and auditing, tax and management consulting services to a wide variety of clients, large and small, in virtually every type of business.

L/F Econocycle

Total Retail Sales 'Braking' at Year's End; 1%-2% Gains Seen For Discounters



Recent braking trends in sales, coupled with major revisions in the latest Government statistics, now point to a slower rate of general sales velocity in 1981 overall than forecast previously.

Total retail sales will probably match or edge slightly above 1979-80 levels, the latest Econocycle computations reveal.

As a result, the L/F spending indicator (below) is also pegged lower than projected earlier in the year. But there still appear to be strong signs that consumer confidence—spiked by just-initiated tax rebates—will pick up in 1982, at a steady, but slower rate of growth.

Total retail sales gains are expected to edge up about 2% over the next two months. This will depress the final quarter gains of 4% that were originally expected, according to the latest forecast computations.

The L/F Econocycle forecast is for gains in the 2% range this month, slipping to less than 1% in December on comparable year-to-year results.

This compares to other retail sectors where the short-term outlook continues "spotty" through the balance of 1981:

- Department stores should roll up a solid 3% to 4% increase through year's end; apparel specialists, 2%-3%.
- General merchandise sales will continue to trend downward through the balance of '81 (approximately 1% ahead of last year), but show strong signs of recovery in early '82.
- Drug retailers, due to recent revisions of Government data, now reveal sales declines dating back to 1980, new studies show. But, drug operators should begin to step up sales gains early in 1982 and by the second quarter could be improving well above 1980 sales levels.

New Moves

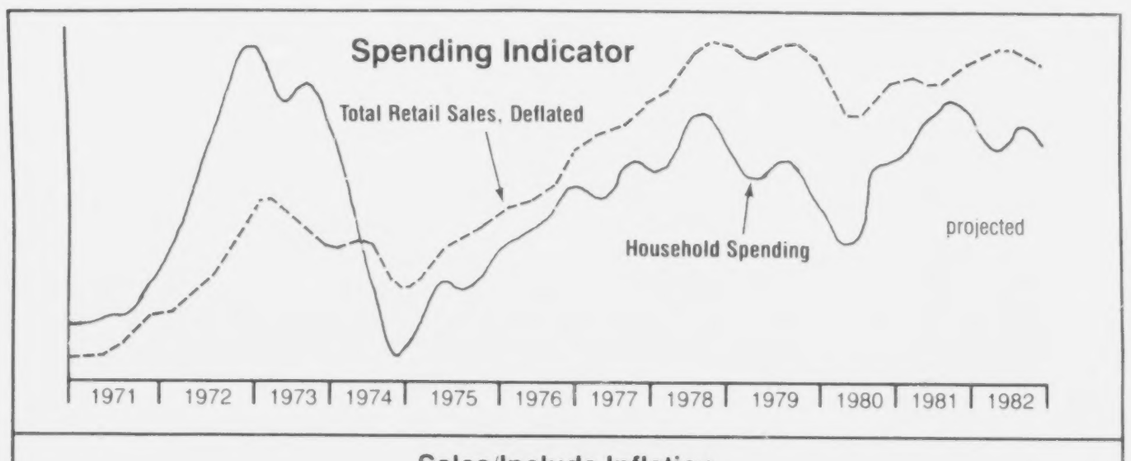
Even during these times of stagnation, however, discount department stores are experimenting with different mixes of merchandise—most skewed toward higher percentages of soft lines sales, for the higher margins in those categories—and the most successful chains are boosting profits faster than sales gains as a result. Chains with strong basic apparel assortments are gaining at higher rates than most, while K mart may be suffering from a glut of slow-moving designer apparel which the chain has pursued aggressively from diverters.

General Merchandise/Discount

Sales Change By Quarter

	'80 1Q %	'80 2Q %	'80 3Q %	'80 4Q %	'81* 1Q %	'81* 2Q %	'81* 3Q %	'81* 4Q %	12-Month % Change 1979 %	1980 %	1981* %
Sales include Inflation	9.1	4.8	4.3	5.8	7.9	12.5	9.4	6.1	9	6	9
Real sales (Deflated)*	1.9	-2.4	-3.4	-2.0	0.9	5.8	3.6	1 2	3	1	3

Base = July 1981 Sales
*Projected



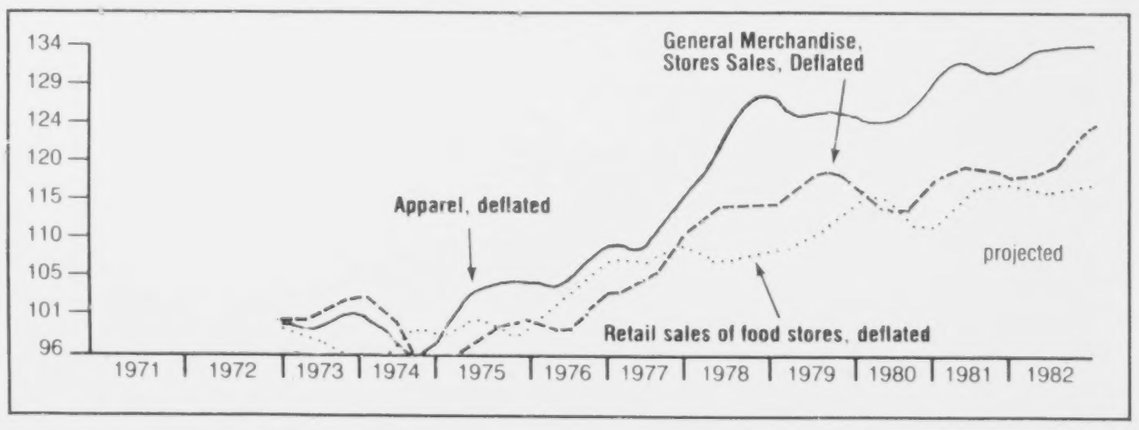
Sales/Include Inflation
% Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1980	1Q	9.4	11.0	10.2	7.2	11.9	10.5	3.3	9.1	8.1
	2Q	5.0	10.3	9.3	8.4	11.2	2.5	4.6	4.8	4.3
	3Q	5.9	11.2	8.3	9.4	10.3	1.0	4.3	4.3	3.5
	4Q	7.3	10.6	7.2	1.5	14.1	5.1	6.4	5.8	5.8
1981	1Q	10.2	10.5	7.4	8.4	10.4	8.4	9.8	7.9	8.4
	2Q	12.3	10.7	11.4	15.2	10.3	9.0	8.7	12.5	10.9
	3Q*	9.4	8.7	9.0	7.8	7.9	2.7	7.3	9.4	7.5
	4Q*	7.4	7.6	7.1	0.6	4.5	1.6	5.5	6.1	5.0
% change 12 mos.	1979	11.0	12.0	13.0	12.0	11.0	15.0	6.0	9.0	10.0
	1980	7.0	11.0	9.0	3.2	12.0	5.0	5.0	6.0	5.0
	1981*	10.0	9.0	9.0	8.0	8.0	5.0	8.0	9.0	8.0

Real Sales (Deflated)*
% Change By Quarter

1980	1Q	- 1.2	5.8	0.0	- 2.6	3.8	4.9	- 1.4	1.9	1.8
	2Q	- 5.0	4.9	- 0.1	- 17.6	2.0	- 3.4	0.5	- 2.4	- 2.0
	3Q	- 4.2	2.0	- 0.9	- 18.5	0.5	- 5.8	- 0.2	- 3.4	- 3.3
	4Q	- 2.9	- 0.6	- 1.8	- 10.4	3.9	- 1.1	1.5	- 2.0	- 1.1
1981	1Q	0.7	- 1.4	- 2.1	- 1.2	0.2	2.2	5.9	0.9	2.2
	2Q	3.6	0.3	2.1	6.0	0.3	3.0	4.5	5.8	4.9
	3Q*	1.9	1.6	0.7	0.5	- 1.0	- 3.0	3.5	3.6	2.1
	4Q*	1.8	4.6	0.5	- 6.1	- 2.9	- 4.9	2.8	1.2	0.2
% change 12 mos.	1979	1.0	2.0	2.0	4.0	4.0	9.0	3.0	3.0	4.0
	1980	- 3.0	3.0	- 0.7	- 12.0	2.0	1.0	0.1	- 1.0	- 1.0
	1981*	2.0	1.0	0.3	- 0.3	- 0.9	- 0.7	4.0	3.0	2.0

Base = July 1981 Sales
*Projected



About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (= 100) in order to establish meaningful performance comparisons.

Store-Staff Protection Is Tight, Not Foolproof

(Continued from page 1)

quarters which monitors Hills' security/alarm system with his designated code.

"Even if the store is opened with an authorized key," said Baldwin, "unless they call, the central monitoring system will send for the police."

Police are automatically called to the scene, too, if the store is opened at an unusual hour—unless store management has notified headquarters 48 hours in advance.

Hills has also explicit instructions on how to respond to alarms. "They're never to go in the store without the police during unauthorized hours," said Baldwin.

(Hills, by the same token, has specially made enunciator panels on doors of all restricted areas, such as the cash office, which monitor movement sound and signal headquarters whenever entry or exit has been made at an unauthorized time.)

S. E. Nichols also utilizes a time-clock alarm system.

Jamesway requires members of the store management team and a representative from loss prevention to be present at opening and closing.

Cook United policy mandates that two to three people be present at an opening or closing, with one observing from the parking lot with 20¢ in his pocket, ready to make a phone call to police if anything unusual happens.

Some chains like Jamesway have eliminated the policy of leaving maintenance personnel in the store overnight.

Others, like Hills, have maintenance scheduled so that the night crew arrives at 10 p.m. at store closing and is not let out until the adequate number of personnel is there in the morning for store opening.

Most chains have specific cash-on-hand policies, requiring bank drops to be made whenever the in-store cash amount reaches a certain level.

In general the cash fund is never to exceed the amount needed to operate eight registers. For the most part, that's $100 a register or $800, said Cook United's loss prevention specialist Joe Parker.

But getting the cash to the bank when it exceeds the designated ceiling is sometimes a problem for chains, said Parker. Additional pickups by armored car service can cost a chain up to $300 extra, he said.

Nichols' Joe Keller said at busy times it's often impossible to schedule the armored car service when needed. "In some areas, they'll only pick up one or two times a day and during busy times we may need it more frequently. And all police departments don't offer cooperation, because some of them don't have the manpower."

Hills uses armored car service in problem areas—such as Youngstown, Ohio, where there were three bank deposit robberies last year—or in areas where the service is offered by the local bank. But for most of its 90 stores, the chain relies on store managers to make the bank deposits.

"In our system, the deposit has to be made using two different cars," said Baldwin. He said in the four years he has been with Hills, during which there have been a total of five deposit robberies, most of the problems stemmed from violation of policy.

"It's a big problem to get management people to comply with the procedures. They don't realize that it's not so much the money that's on the line, but their safety."

Jamesway has two or more employees make bank drops and varies timing of the drops for added protection.

But even with all of the precautions, there are times when things go wrong, said Nichols' Keller.

Keller, who clipped and kept the newspaper article about the slain K mart, Baltimore, assistant store manager, said: "If it happened at one of our stores, our manager would be dead too.

"No matter what you do, it can happen. And I can't think of anything more we can do to keep it from happening."

Six weeks prior to the Baltimore incident, a Nichols manager and his assistant were kidnapped in the Reading, Pa., store. The robbers (at presstime, still at large) got away with $8,000 cash and the manager's car, leaving the two Nichols employees handcuffed to a tree in the country. Keller says that his employees were left unharmed because of "luck."

Sales/Sq. Ft., Expenses Rise For NMRI, NRMA Members

Since the 1976-77 studies of operating results by the NRMA and NMRI, the two industries have managed dramatic gains in sales per square foot, which had been $78.12 in discount stores in 1977, $92.72 in department stores, and in shrink control; in 1977, shrink in discount stores averaged 2.57% of sales, and department stores lost 2.13% of their sales to shrink.

But, total expenses have jumped about three percentage points for each—from 24.54% at discount stores, 33.06% at department stores—and stock turns have remained flat.

	Discount Stores[a]	Department Stores[b]
Gross Margin	29.47%	42.94%
Cumulative Markon	36.55%	47.52%
Stock Turns	3.20	3.33
Profits After Taxes[c]	1.41%	4.06%
Stock Shortages	1.41%	2.03%
Total Expense[c]	26.03%	37.17%
Advertising Expense[c]	2.62%	2.52%
Sales/Sq. Ft. of Selling Space	$104.84	$119.98
Leased Department Sales[c]	3.78%	5.47%

[a]From National Mass Retailing Institute's Operating Results of Self-Service Discount Department Stores, 1980-81 study conducted by Cornell University, covering 30 chains.
[b]From National Mass Retail Merchants Association "FOR" Report for 1981 covering chains with over $100 million in sales.
[c]As a percentage of sales.

Pretax Profits

(Continued from page 3)

Overall sales per square foot in department stores rose to $114.87 in 1980, up from $110.52 in 1979. Small department stores, those with sales in the $10 million to $20 million range, experienced the greatest rise in sales per square foot, to $113.97.

Smaller specialty stores also rose sharply in sales per square foot, to $165.09 in 1980 from $154.72 in 1979. (Smaller specialty stores are that group with sales in the $1 million to $5 million range.) But the specialty stores as a whole reported a small decline in sales per square foot, to $162.05.

Cash business at the department stores rose, probably as a result of the credit controls put in place in 1980, and credit sales overall dropped to 49.85% of sales in 1980, down from 54.06% the year before. Third-party credit cards, however, almost quadrupled in sales in the department stores. In 1979, 2.04% of sales came on third-party cards, and in 1980 that percentage rose to 7.92% of sales.

Specialty stores, where third-party cards have always been more of a factor, showed a small increase in that business, from 16.34% of sales in 1979 to 17.02% in 1980.

Heck's Dividend

CHARLESTON, W. Va.—Heck's declared a quarterly cash dividend of 6¢ per share on outstanding common stock payable Nov. 27.

The lone gainer.

SunSensor® lenses by Corning. The only major brand gaining unit sales in today's sunglass market. The most profitable sunglasses you can sell.

Heavily supported by television advertising starring masked man Clayton Moore. "Hi-yo- Silver and greenbacks, away!"

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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SPECIAL REPORT:

HOW *DOES* WAL-MART DO IT?

With higher-ticket promotions . . .

Up to 100 promotional tables in the typical Wal-Mart generate a higher sales-to-total ratio than most competitors. What's more: the average Wal-Mart promotional price tag is roughly two times higher on table items than competition (at margins in the 35% range). Result: higher-than-average gross profit.

Source: DSN *survey*

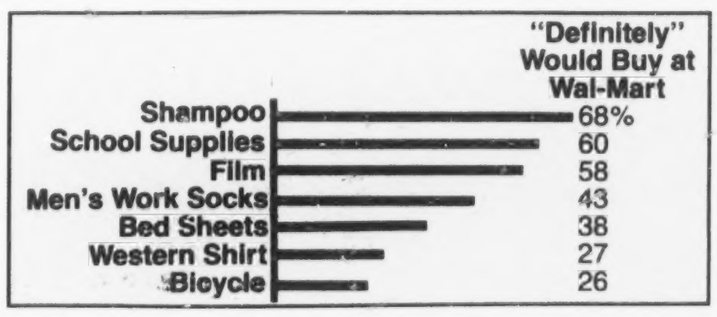
. . . a tight grip on shopper spending

In Russelville . . .	Wal-Mart	T.G. & Y.	K mart	Magic Mart
Per Cent Who Shopped During Past Year	98%	79%	82%	71%
Average Number of Trips	45.8	18.5	11.8	13.7
Average Amount Spent	$21.50	$16.90	$20.50	$13.00

Typical Wal-Mart shoppers say they make more trips to Wal-Mart stores than competing discount outlets—and spend more of their shopping dollars when they get there. And: most believe Wal-Mart offers "the best values, selection, prices and convenience" in their towns.

Source: Leo Shapiro & Associates

. . . and 'lean-mean' item merchandising



Sharply priced item merchandising programs give Wal-Mart an unmistakable "lock" on select categories vs. its major competitors. More than a fourth shop Wal-Mart for these seven basics (chart).

Source: Leo Shapiro & Associates

Over the past decade, Wal-Mart Stores has literally exploded from a small southwestern sectional chain ($31 million sales in 32 stores) into a major regional "super power" in discounting, today with over 400 stores strung across 12 Sunbelt states. This year, chain volume will top $2.4 billion—and should nearly double again in the next two years.

It's little wonder that Wal-Mart is the "darling" of discount store retailing. Its 40% compound annual growth rate overshadows K mart's once-awesome expansion record and its persistent 3% net-to-sales is understandably the envy of most competitors.

The question they all ask is: How do they do it? What *is* the Wal-Mart secret?

A Major Factor

If there is a secret, part of it is Wal-Mart's success in keeping "old" stores outperforming the inflation rate year after year; at the same time it has multiplied its total store-base more than ten-fold. In fact, between one-third and one-half of Wal-Mart's real growth today is attributed to same-store increases, at a time when competitors are struggling to hold their own comparable-store sales even with inflation.

And, in a growing number of Sunbelt markets, Wal-Mart has apparently developed a grip on shopper loyalty that can only be compared to K mart's or Sears' consumer franchise nationally. Wal-Mart clearly outplays all of its top national and regional rivals in the daily battle for shopper dollars, as recent studies (charts facing) indicate.

Wal-Mart's "power alley" merchandising strategies (above), linked with rigid cost control disciplines that put more "stretch" in Wal-Mart profit margins, and a unique blend of participatory management and entrepreneurial guidance all contribute to the chain's modern-day "mystique."

Still In Question

Now, new questions loom for the Bentonville, Ark.-based chain as it strides further into the decade of the 80's: Will the recent Big K acquisition and store conversions pan out? Can its "grass-roots" form of management hold up as Wal-Mart Country (and geography) spreads further from home? Can Wal-Mart prosper as an 800- or 1,000-store chain in an era of fast-changing consumer values and economics?

In the probing full-issue study that follows (beginning on p. 13), *Discount Store News* examines these questions and others and comes to this tentative conclusion: *If* Wal-Mart manages to avoid the stiff joints and slowing gait that tripped up other "go-go" rivals when they "got too big" or "became too safe in their thinking," K mart may have to move over, in 1990 or soon after, to make room for a new king of the hill in discount store retailing.

—DOUG STINSON

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